

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, January 21, 2016

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 368 (the "District") met in regular session, open to the public, at 6:30 p.m. on Thursday, January 21, 2016, at the District's regular meeting place, Graceview Baptist Church, 25510 Tomball Parkway, Tomball, Texas, whereupon the roll was called of the members of the Board to-wit:

Roy P. Lackey	President
Tiffani C. Bishop	Vice President/Investment Officer
Sharon L. Cook	Secretary
Eric Daniel	Treasurer
Allison V. Dunn	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Consultants in attendance were: Mike Plunkett of Eagle Water Management, Inc. ("Operator"); Kameron Pugh of IDS Engineering Group ("IDS" or "Engineer"); Randi Fields of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Kristen Scott of Bob Leared Interests Inc. ("Tax Assessor/Collector"); Andrew Dunn, Matthew Dunn, and Terry Starkey of On-Site Protection, LLC ("On-Site"); Corporal Thomason and Sergeant Walton of the Harris County Precinct 4 Constable's Office ("HCCO"); and Scott Eidman, attorney, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP" or "Attorney").

The President called the meeting to order at 6:40 p.m., and in accordance with the notice posted pursuant to law, the following business was transacted:

- I. **Public Comment.** There was no public comment.
- II. **Election Agenda.**
 - A. **Review and discuss locating polling places and obtaining election judges and clerks for May 7, 2016 directors election.** Ms. Croon reminded the Board that this is an election year and that the Directors Election will be held on Saturday, May 7, 2016. Ms. Croon then stated the Board will need to obtain election judges and clerks and if no more than three (3) persons apply for a place on the ballot there will be no need to hold the Election. The Board next discussed compensation for election officials and agreed to pay election officials \$15.00 per hour.
 - B. **Adopt Order Calling Directors Election.** Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved the Order Calling Directors Election.
 - C. **Determine Canvassing Date for the May 7, 2016 election.** Ms. Croon then stated that the Board needs to determine the date to canvass the returns of the election.

After discussion, it was consensus of the Board to meet in special session on May 16, 2016 at the Water Plant to canvass the results, if needed.

- D. Discuss rental of iVotronic election equipment and approve and authorize execution of Rental Equipment and Sales and Service Contract with ES&S. Ms. Croon stated that legislation allows districts whose previous Directors election was cancelled or that had less than 250 voters at the previous Directors election to use paper ballots instead of the iVotronic voting equipment from Election Systems & Software, Inc. ("ES&S"). Discussion ensued and the Board agreed to use paper election ballots, if necessary.

III. **Security Report.** Sergeant Walton presented to and reviewed with the Board the Security Report, a copy of which is attached hereto as Exhibit "A". Mr. A. Dunn recommended the District amend its Interlocal Law Enforcement Agreement with Harris County to add another deputy. He noted that the funds spent on an extra evening deputy would be better utilized on hiring a full time deputy.

Next, Mr. A. Dunn reviewed the internet performance report for District's facilities, a copy of which is attached to the Security Report. Mr. A. Dunn next presented the Data Service Agreement with Verizon for Lift Station No. 6 for the Board's approval. Upon motion by Director Cook, seconded by Director Lackey, after full discussion, and with all Directors present voting aye, the Board approved the Data Service Agreement with Verizon for Lift Station No. 6

IV. **General Business.**

- A. District's Website. There were no matters to report.
- B. Emergency Operations and repairs to District Facilities. Mr. Plunkett reported that a small leak at the Lift Station no. 2 force main is in the process of being repaired. Director Lackey next discussed maintenance of District facilities and reviewed photos of the areas that need to be painted. Director Lackey suggested that IDS and the Operator tour the facilities to determine which items need to be painted. Mr. Pugh proposed creating a maintenance schedule for District's facilities and following discussion, Mr. Pugh stated that such an item will be on the next meeting agenda.
- C. Residential Recycling and Reuse of Texas ("RRRT") Monthly Recycling Report. The Board reviewed the recycling report, a copy of which is attached hereto as Exhibit "B".
- D. Purchase of industrial labeling printer for labeling District equipment. Director Lackey presented a quote for the purchase of a DuraLabel TORO label printer at a total amount of \$2,575.

Discussion ensued after which upon motion by Director Cook, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board approved the purchase of the DuraLabel TORO label printer in the amount of \$2,575.

V. **Tax Assessor/Collector's Report.** Ms. Scott reviewed the Tax Assessor/Collector's Report for the month of December 2015, a copy of which is attached hereto as Exhibit "C". Ms. Scott reported that 99.321 % of the District's 2015 tax levy had been collected as of December 31, 2015.

Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board (i) approved the Tax Assessor/Collector's Report; and (ii) authorized payment of checks numbered 1127 through 1135 from the Tax Account.

VI. **Bookkeeper's Report.** Ms. Fields reviewed the Bookkeeping Report, a copy of which is attached hereto as Exhibit "D".

Next, upon motion by Director Cook, seconded by Director Daniel, after full discussion, and with all Directors present voting aye, the Board voted to (i) approve the Bookkeeper's Report; (ii) authorize payment of Check Nos. 13974 to 14050 from the Operating Fund, and (iii) authorize payment of Check No. 1676 from the Capital Projects Fund.

VII. **Engineer's Report.** There were no additional matters to report.

VIII. **Developer's Report.** There was no report.

IX. **Attorney's Report.**

A. **Disclosure requirements under House Bill 23.** Mr. Eidman distributed a memorandum regarding House Bill 23 ("HB 23"), a copy of which is attached hereto as Exhibit "E", and informed the Board that HB 23 amends several provisions of Chapter 176, Texas Local Government Code concerning disclosure of certain relationships with local governmental officers and vendors.

B. **Legislation regarding Open Carry Laws.** Mr. Eidman distributed a memorandum regarding the Open Carry Laws effective January 1, 2016, a copy of which is attached hereto as Exhibit "F".

C. **Eminent Domain fillings to the Texas Comptroller of Texas as required by Senate Bill 1812.** Mr. Eidman stated that pursuant to Senate Bill 1812 enacted by the 84th Legislature, the Required Documentation of Eminent Domain Authority in Texas, has been electronically filed with the Texas Comptroller and such information may be viewed by interested parties on the Comptroller's online database.

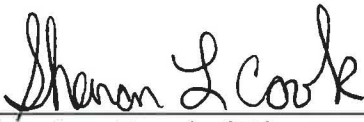
D. **Minutes of January 7, 2016 Board meeting.** Upon motion by Director Dunn, seconded by Director Cook, after full discussion and with all Directors present voting aye, the Board approved the minutes of the January 7, 2016 Board meeting, as amended.

X. **Other matters.** Director Lackey informed the Board regarding the Preventive Maintenance Checklist for District facilities received from BL Technology, Inc ("BLTI").

Extensive discussion ensued regarding the BLTI services and/or contract.

XI. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 8:55 p.m.

Passed and approved this 21st day of January, 2016.


Secretary, Board of Directors

Exhibits:

- "A" Security Report
- "B" Recycling Report
- "C" Tax Assessor/Collector's Report
- "D" Bookkeeper's Report
- "E" HB 23 memo
- "F" Open Carry memo